
Public Utilities Commission of the State of California

Results of Public Agenda 3201

Meeting Held on Thursday, October 18, 2007 10:00 a.m.

San Francisco, California

Commissioners

Michael R. Peevey, President

John A. Bohn

Rachelle B. Chong

Dian M. Grueneich

Timothy Alan Simon

Website: <http://www.cpuc.ca.gov>

Scheduled Commission Meetings

505 Van Ness Avenue, San Francisco

<i>Ratesetting Deliberative Meeting*</i> <i>Room 5305</i> <i>(1:30 p.m.)</i> <i>Closed to the Public</i>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <i>Open to the Public</i>
Friday, November 09, 2007 (San Francisco)	Thursday, November 01, 2007 (San Francisco)
Monday, December 03, 2007 (San Francisco)	Friday, November 16, 2007 (San Francisco)
Monday, December 17, 2007 (San Francisco)	Thursday, December 06, 2007 (San Francisco)
Monday, January 07, 2008 (San Francisco)	Thursday, December 20, 2007 (San Francisco)
	Thursday, January 10, 2008 (San Francisco)

**Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.*

For further information contact the Public Advisor
(415) 703-2074 E-mail: public.advisor@cpuc.ca.gov



This location is accessible to people with disabilities. If specialized accommodations for the disabled are needed, e.g. sign language interpreters, please call the Public Advisor at (415) 703-2074 or TTY# (415) 703-5282 or toll free # 1-866-836-7825 three business days in advance of the meeting.

PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda; these are HEX and EX items.
-

Public Comment:

Re 21: Mark Christian, AIA California Council, Sacramento, CA

Consent Agenda

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

Orders and Resolutions

- 1**
[6940] **Res E-4117 - Souhthern California Edison Company (SCE).**
This resolution approves, with criteria for implementation, SCE's request to amend its Assembly Bill 57 Procurement Plan and pending 2006 Procurement Plan to enable SCE to procure Long Term Congestion Revenue Rights. (Advice Letter 2142-E, filed July 24, 2007)
Outcome Approved
[Res E-4117](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 2**
[7022] **Res ALJ 176-3201**
Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Rule 7.1 of the Commission's Rules of Practice and Procedure.
Outcome Approved
[Res ALJ 176-3201](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)

3

[6949]

A04-12-007 - Southern California Edison Company (SCE).

For a certificate of public convenience and necessity concerning the Antelope-Pardee 500 kV Transmission Project. This decision awards to Leona Valley Residents and Leona Valley Town Council (collectively Leona Valley) \$16,307.22 in compensation for their substantial contributions to D07-03-012. This represents a decrease of \$10,290.17 [or 39%] from the amount requested of \$26,597.39. Today's award will be allocated to SCE. This proceeding remains open.

(Comr Grueneich - ALJ Kolakowski)

Outcome Signed[D07-10-021](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

4

[6956]

A05-06-006 - Pacific Gas and Electric Company.

For approval of 2006–2008 demand response programs and budgets. A05-06-008; A05-06-017; A07-07-022 - Related matters. The Commission modifies Res E-4079 to define “hard-to-reach customers” for purposes of customer eligibility in the Business Energy Coalition demand response program. This proceeding is closed.

(Comr Chong - ALJ Yacknin)

Agenda 3200, Item 8 10/4/2007 (Staff)

Outcome Held (11/1/07, Consent Agenda. Further review.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

5

[6970]

Res E-4122 - Pacific Gas and Electric Company (PG&E).

This Resolution approves, with criteria for implementation, PG&E's request to amend its Assembly Bill 57 procurement plan and pending 2006 procurement plan to enable PG&E to procure Long Term Congestion Revenue Rights. (Advice Letter 3095-E, filed July 24, 2007.)

Outcome Approved[Res E-4122](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

6

[6989]

Res L-351

This resolution authorizes disclosure of certain records concerning the California Public Utilities Commission Consumer Protection and Safety Division's investigation of Union Pacific Railroad/Harsco Derailment of November 9, 2006.

Outcome Approved[Res L-351](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

7

[6994]

A05-12-002 - Pacific Gas and Electric Company.

For authority to increase rates and charges for electric and gas service effective on January 1, 2007. I06-03-003 - Related matters. This decision awards Aglet Consumer Alliance (Aglet) \$99,801.44 and The Alliance for Nuclear Responsibility (ANR) \$10,077.42 for substantial contributions to D07-03-044 issued in this proceeding. Aglet requested compensation of \$113,703.07. ANR requested compensation of \$16,895.42. Both requests were adjusted to disallow hours for work that did not substantially contribute to our resolution of issues in D07-03-044 and to disallow time and expenses associated with travel within the Bay Area and commuting. ANR's request was also adjusted to correct a mathematical error. This proceeding remains open.

(Comr Bohn - ALJ Kenney)

Outcome Signed[D07-10-022](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

8

[6995]

R06-02-013 - Order Instituting Rulemaking to Integrate Procurement Policies and Consider Long-Term Procurement Plans.

R06-04-010 - Related matters. This decision is entered in both of the above-captioned proceedings to provide guidance to parties seeking intervenor compensation for work performed in Procurement Review Groups, Peer Review Groups and Program Advisory Groups for procurement and energy efficiency portfolio development of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company.

(Comr Grueneich, Comr Peevey - ALJ Malcolm)

Outcome Held (11/16/07, Consent Agenda.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

9

[6997]

A 07-05-021 - Cordia Communications Corp. (Applicant).

This decision grants Applicant's request for dismissal of its application for registration as an interexchange carrier telephone corporation in this state. Based on the allegations contained in the protest filed by the Commission Division on Consumer Protection and Safety, the Commission requires Applicant to reference this decision in any future applications for authority to provide telecommunications services in California. This decision also rescinds D07-08-035, which previously dismissed this application without prejudice, because this order was issued due to inadvertent error. This proceeding is closed.

(Comr Simon - ALJ Prestidge)

Outcome Signed[D07-10-023](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

10

[7000]

Res E-4112 - Southern California Edison Company (SCE).

This resolution approves with modifications SCE's request to amend its Assembly Bill 57 Procurement Plan to include Sulfur Dioxide Emission allowances and derivatives. (Advice Letter 2133-E, Filed June 11, 2007)

Outcome Approved[Res E-4112](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

11

[7005]

A07-04-027 - Southern California Gas Company (SoCalGas).

This decision approves SoCalGas surcharge on bills for residents of Santa Buenaventura. This proceeding is closed.

(Comr Simon - ALJ DeBerry)

Outcome Signed[D07-10-024](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

-
- 12**
[7018] **A07-04-017 - Los Angeles to Pasadena Metro Blue Line Construction Authority (Applicant) dba Metro Gold Line Foothill Extension Construction Authority.**
This decision grants Applicant's request to construct two grade-separated crossings for the Metro Gold Line Foothill Extension at Colorado Boulevard and Santa Anita Avenue, in the City of Arcadia, County of Los Angeles. This proceeding is closed.
(Exam Clark)
Outcome Signed
[D07-10-025](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 13**
[7019] **A07-06-032 - City of Fontana (Applicant).**
This decision grants Applicant's request to construct a new grade-separated crossing of Cypress Avenue over Union Pacific Railroad Company tracks in the City of Fontana, County of San Bernardino. This proceeding is closed.
(Exam Clark)
Outcome Signed
[D07-10-026](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 14**
[7020] **A99-07-020 - Pacific Bell Telephone Company (Applicant).**
For authority pursuant to Pub. Util. Code Section 851 to lease space and transfer assets to SBC Services, Inc. This decision awards The Utility Reform Network (TURN) \$26,054.97 in compensation for its substantial contributions to D06-09-007. This award represents a decrease of \$8,650.00 from the amount requested. Applicant shall pay TURN the total award. This proceeding is closed.
(Comr Peevey - ALJ Walker)
Outcome Signed
[D07-10-027](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
-

15
[7024]

A07-07-017 - First Communications, LLC, Xtension Services, Inc., and Gores FC Holdings, LLC.

This decision grants Gores FC Holdings, LLC authorization, pursuant to Public Utilities Code Section 854(a), to acquire control of First Communications, Inc., in accordance with the Securities Purchase Agreement that they submitted with the application. This proceeding is closed.

(Comr Chong - ALJ Reed)

Outcome Signed

[D07-10-028](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

16
[7030]

A06-11-001 - Devine Communications, Incorporated (Applicant).

For a certificate of public convenience and necessity to provide InterLATA and IntraLATA telecommunications service in California as a switchless reseller. This decision approves a settlement agreement and grants Applicant's application to become a telecommunications provider. This proceeding is closed.

(Comr Bohn - ALJ Thomas)

Outcome Held (11/1/07, Consent Agenda. Further review.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

17
[7032]

A07-08-001 - Southern California Edison Company (SCE).

The decision grants SCE's Application for authority to lease available land under Public Utilities Code Section 851. The SCE property consists of a 2.03-acre site located on a portion of SCE's Barre-Ellis transmission right of way in the City of Stanton (Site). The Site is part of the Barre-Ellis 220 kilovolt system. The lease is sought by Hawaii Properties, Inc. to construct and operate an industrial park on the Site. This proceeding is closed.

(Comr Simon - ALJ Bemserfer)

Outcome Signed

[D07-10-029](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

18

[7033]

A07-07-016 - Citizens Communications Company (Citizens), Global Valley Networks, Inc. (GVN), GVN Services (GVS), Evans Telephone Holdings, Inc., and Country Road Communications, LLC. (Joint Applicants).

This decision grants Joint Applicants' request for authorization for Citizens to acquire control, pursuant to Public Utilities Code Section 854(a), of GVN and GVS in accordance with a Stock Purchase Agreement submitted with the application. This proceeding is closed.

(Comr Simon - ALJ Reed)

Outcome Signed[D07-10-030](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

19

[7036]

WC Docket No. 07-204

On September 13, 2007, Qwest Corporation filed a petition requesting forbearance under 47 U.S.C. § 160(c) from enforcement of certain Automated Reporting Management Information System (ARMIS) and 492A Reporting requirements. Specifically, Qwest seeks forbearance from Commission rules requiring submission of ARMIS Reports 43-01 (Annual Summary), 43-02 (USOA Report), 43-03 (Joint Cost Report), 43-04 (Separations and Access Report), 43-05 (Service Quality Report), 43-06 (Customer Satisfaction Report), 43-07 (Infrastructure Report), and 43-08 (Operating Data Report), 495A (Forecast of Investment Usage), and 495B (Actual Usage of Investment), and 492A Report (Rate-of-Return Monitoring Report.) Public Notice DA 07-3949; WC Docket No. 07-204.

Outcome Withdrawn

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

20

[7043]

A05-02-012 - California American Water Company.

For authority to increase rates for water service in its Monterey District for years 2006, 2007, and 2008 and for an order authorizing 16 special requests with revenue requirements. A05-02-013 - Related matters. This decision awards \$67,396.75 in compensation to Felton Friends of Locally Owned Water for its substantial contributions to D06-11-050. A05-02-012 and A05-02-013 are closed.

(Comr Bohn - ALJ Walwyn)

Outcome Signed[D07-10-031](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

Regular Agenda

Energy Orders

21

[6992]

R06-04-010 - Order Instituting Rulemaking to Examine the Commission's post-2005 Energy Efficiency Policies, Programs, Evaluation, Measurement and Verification, and Related Issues.

This order adopts a comprehensive, long-term approach to strategic planning that will make energy efficiency an essential and integrated part of California's economy.

(Comr Grueneich - ALJ Malcolm)

Outcome Signed as Modified (Change p. 8 (typo--remove duplicate paragraph).)

[D07-10-032](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

Energy Resolutions and Written Reports**22 (Rev.) Res E-4103 - San Diego Gas & Electric Company (SDG&E).**

[6892] This resolution denies SDG&E's request to expand a Demand Reduction Agreement for a Distributed Resource Project between SDG&E and EnerNOC, Inc. (Advice Letter 1896-E, filed May 11, 2007)
Agenda 3198, Item 29 9/6/2007 (Chong);
Agenda 3199, Item 35 9/20/2007 (Staff);
Agenda 3200, Item 21 10/4/2007 (Staff)
10/17/2007 - This revision was not shown on the Agenda mailed to the public.

Outcome Approved[Res E-4103](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

23 Res E-4124 - San Diego Gas & Electric Company (SDG&E).

[6999] This resolution approves, with criteria for implementation, SDG&E's request to amend its Assembly Bill 57 Procurement Plan and pending 2006 Procurement Plan to enable SDG&E to procure Long Term Congestion Revenue Rights. (Advice Letter 1920-E, filed July 24, 2007)

Outcome Approved[Res E-4124](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

Communication Orders**24**

[6991]

R93-04-003 - Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish a Framework for network Architecture Development of Dominant Carrier Networks.

I93-04-002 - Related matters. This decision grants, in part, Verizon California Inc.'s (Verizon) Petition to Modify D06-03-025. The decision grants Verizon's request to restructure the rates for switching, multiplexing and dark fiber to reflect how Verizon provisions and bills for those elements. The decision clarifies that the rate adopted for the Integrated Services Digital Network Option is in addition to the deaveraged loop rate. The decision also grants the Joint Petition to Modify of Verizon and Covad Communications Company to price xDSL loops at the same rates as those adopted for two-wire and four-wire geographically deaveraged copper loops.

(Comr Peevey - ALJ Duda)

Outcome Signed[D07-10-033](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

Communication Resolutions and Reports**25**

[6909]

Res T-17081 - Kerman Telephone Company (KTC).

This Resolution authorizes California High Cost Fund-A support for KTC of \$3,657,147 for the year 2008. A net intrastate revenue requirement of \$3,763,204 and a total intrastate rate base amount of \$11,266,410 with an authorized overall Rate of Return of 10% are adopted for the test year 2008.

This resolution is in accordance with the provisions of General Order 96-A. (Advice Letter 352, filed December 27, 2006)

Agenda 3199, Item 1 9/20/2007 (Staff);

Agenda 3200, Item 1 10/4/2007 (Staff)

Outcome Held (11/1/07. Further review.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

26

[6950]

Res T-17108 - Volcano Telephone Company (Volcano).

This resolution addresses the General Rate Case request filed by Volcano, and authorizes Volcano California High Cost Fund A support of \$956,440 for the year 2008. Intrastate total operating revenue of \$9,448,210 and a total intrastate rate base amount of \$16,920,919 with an authorized Overall Rate of Return of 10.00% are adopted for the test year 2008. (Advice Letter (AL) 335, filed November 20, 2006; AL 335A, filed January 24, 2007; AL 335B, filed June 6, 2007; and AL 335C, filed August 1, 2007)

Agenda 3200, Item 24 10/4/2007 (Staff)

Outcome Held (11/1/07, Consent Agenda.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Water/Sewer Orders**27**

[6851]

A06-02-023 - Golden State Water Company (GSWC).

This decision grants rate increases for the period 2007 to 2009 for Region II and the general office operations of GSWC. The decision also accepts all but one of the terms of a settlement stipulation that GSWC and Division of Ratepayer Advocates (DRA) submitted on 8/4/06 concerning virtually all of the Region II issues and some of the general office issues. However, with respect to GSWC's general office General Rate Case, the decision also concludes that (1) neither GSWC's nor DRA's cost allocation study should be accepted, so a new approach developed by the Commission should be used instead, (2) owing to the vagueness of its cost estimates, GSWC should not be allowed to recover more than \$2.983 million for the new Customer Information/ Customer Relationship Management computer system it has requested without first filing a Tier 3 advice letter pursuant to General Order 96-B, (3) 21 of the new general office jobs requested by GSWC should be approved, but a 10% reduction in the amounts requested for these jobs should be imposed due to GSWC's failure to present the full rationale for many of these positions until the company submitted rebuttal testimony, (4) the 4 new general office jobs needed principally to comply with the requirements of the Sarbanes-Oxley Act should be authorized, but the costs of these positions should be split equally between GSWC's shareholders and its ratepayers, (5) DRA's attack on 8 new general office jobs that were allowed as part of D04-03-039 should be rejected, and (6) most of the miscellaneous issues noted in the 8/4/06 stipulation on which GSWC and DRA were unable to reach agreement should be resolved in favor of the company. This proceeding is closed.

(Comr Bohn - ALJ McKenzie)

Agenda 3197, Item 54 8/23/2007 (Staff);

Agenda 3198, Item 35 9/6/2007 (Bohn);

Agenda 3200, Item 25 10/4/2007 (Staff)

Outcome Withdrawn

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

27a (Rev.)

[6852]

ALTERNATE TO ITEM 6851

This alternate decision (like the proposed decision) grants rate increases for the period 2007 to 2009 for Region II and the general office operations of GSWC. The decision also accepts all but one of the terms of a settlement stipulation that GSWC and Division of Ratepayer Advocates (DRA) submitted on 8/4/06 concerning virtually all of the Region II issues and some of the general office issues. However, with respect to GSWC's general office GRC, the decision also concludes that (1) neither GSWC's nor DRA's cost allocation study should be accepted, so a new approach developed by the Commission should be used instead, (2) owing to the vagueness of its cost estimates, GSWC should not be allowed to recover more than \$2.983 million for the new Customer Information/ Customer Relationship Management computer system it has requested without first filing a Tier 3 advice letter pursuant to General Order 96-B, (3) 19 of the new general office jobs requested by GSWC should be approved (4) the 4 new general office jobs needed principally to comply with the requirements of the Sarbanes-Oxley (SOX) Act should be authorized. (5) DRA's attack on 8 new general office jobs that were allowed as part of D04-03-039 should be rejected, (6) most of the miscellaneous issues noted in the 8/4/06 stipulation on which GSWC and DRA were unable to reach agreement should be resolved in favor of the company, and (7) it affirms the ALJ's ruling denying the motion of DRA to strike rebuttal testimony. This proceeding is closed. The alternate differs from the proposed decision in two areas. The alternate would fully fund the costs of the SOX positions with ratepayer funds, and the alternate would assess a \$50,000 penalty for GSWC's failure to present the full rationale for many of the new general office positions until the company submitted rebuttal testimony. It directs Water Division to issue an Order to Show Cause (OSC) why GSWC should not be fined \$50,000 for its conduct.

(Comr Bohn)

Agenda 3197, Item 54a 8/23/2007 (Staff);

Agenda 3198, Item 35a 9/6/2007 (Bohn);

Agenda 3200, Item 25a 10/4/2007 (Staff)

10/17/2007 - This revision was not shown on the Agenda mailed to the public.**Outcome Signed**

D07-10-034

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

28

[6998]

A06-07-017 - California Water Service Company (Cal Water).

For an order authorizing Cal Water to increase rates charged for water service in the Bakersfield district in fiscal years 2007-2008, 2008-2009, and 2009-2010. A06-07-018, A06-07-019, A06-07-020, A06-07-021, A06-07-022, A06-07-023, A06-07-024 - Related matters. This decision resolves the general rate case applications for eight districts.

(Comr Bohn - ALJ Walwyn)

Outcome Held (11/1/07.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Transportation/Rail Safety Resolutions and Reports

29

Res ROSB-001

[6943]

This Resolution approves a citation program under the administration of the Director of the Consumer Protection and Safety Division for enforcing compliance with certain General Orders and other requirements for railroad carriers operating in California.

Agenda 3200, Item 5 10/4/2007 (Staff)

Outcome Held (11/16/07.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Legal Division Matters**30**

[6935]

EB Docket No. 04-296

The Federal Communications Commission released its Emergency Alert System (EAS) Order on July 12, 2007. A Further Notice of Proposed Rulemaking was also adopted and seeks comment on whether EAS participants should be required to deliver EAS alerts originated by local, county, tribal, or other state governmental entities.

Agenda 3198, Item 37 9/6/2007 (Staff);

Agenda 3199, Item 38 9/20/2007 (Staff);

Agenda 3200, Item 26 10/4/2007 (Staff)

Outcome Approved-Staff Recommendation

EB Docket No. 04-296

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

Management Reports and Resolutions

31

Executive Director's Report.

[7023]

Jayne Battey, Executive Director of the Stewardship Council, will provide an update on Stewardship Council activities.

Outcome Information Only

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Closed Session

This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the

Applications for Rehearing

33

[7040]

R06-02-013 - Conference with Legal Counsel - Application for Rehearing

Disposition of Application for Rehearing of D06-07-029 filed by Merced Irrigation District and Modesto Irrigation District (MID). D06-07-029 authorizes investor owned utilities (IOUs) to enter into long-term contracts for new generation and adopts a cost allocation mechanism that spreads the net costs of those contracts to a group of “benefiting customers” so that the IOUs’ bundled customers alone are not made responsible for those costs. MID allege that D06-07-029 is in error for procedural reasons because the decision was not re-circulated as an alternate prior to being approved by the Commission, and because no evidentiary hearings were held. Substantively, the rehearing application alleges that D06-07-029 improperly relies on a “benefit test” instead of following statutory requirements, and further is not supported by the record. MID also allege that D06-07-029 impermissibly designates an IOU as a default purchaser of power for their customers.

Outcome Withdrawn

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)